

City of Muskegon
City Commission Worksession
June 8, 2015
City Commission Chambers
5:30 PM

MINUTES

2015-40 (2)

Present: Commissioners German, Hood, Rinsema-Sybenga, Gawron, Johnson, Turnquist, and Spataro.

Absent: None.

Transmittal of 2015-16 Proposed Budget.

Four major street projects are budgeted with the assistance of one-time funds from the State. They include:

Completion of Muskegon /Webster
Getty Street – Apple to Evanston
Laketon – Lakeshore to Nevada
Musketawa Trail Connection

Staff is recommending an increase in sewer rates to 1.30 times the county's treatment rate.

Water fund has an anticipated increase in revenue. No rate increase is being recommended.

The other funds are balanced at this time.

The City Manager and Commission discussed the proposal for a Public Improvement Fund. This fund will be used to begin a proposed housing improvement program focused at improving the market-rate housing options in certain neighborhoods in the core city. The goal is to use the funds allocated under capital outlays to acquire vacant/abandoned/blighted properties in clusters and replace them with market-rate housing. The houses would be marketed/sold to buyers, and the sales proceeds would be used to replenish the fund and ultimately build more homes in the same manner. In addition to the funds budgeted here, city staff anticipates undertaking a fundraising effort to acquire more capital and expedite the redevelopment process.

Commissioner Turnquist questioned charging customers a user fee to use a credit card. City Manager Peterson explained the City currently pays \$30,000 in fees annually for customers who use a credit card.

Commissioner Johnson questioned the future use of the LC Walker Arena and fees/expenses associated with it.

Commissioner Rinsema-Sybenga asked about future street funding. Mr. Peterson forwarded proposed language to the Commission asking the electorate to consider raising the tax levy to twelve mills with two mills being used exclusively for the financing of street construction, repair, and maintenance in the City of Muskegon.

Commissioner Turnquist inquired about the proposed city service fee for our three business-type funds/ventures. The purpose of the fee is to account for the cost to provide (and/or make available) city services to these operations. This should not be confused with reimbursements

these funds provide for special services like vehicle maintenance, billing, administration, etc., as these are focused on the general city services that all tax payers typically enjoy. This fee would be implemented during the fourth quarter of fiscal year 2014-2015 and carry into the new fiscal year.

Commissioner Johnson questioned the proposed special assessment for lighting. Will customers be able to request new lighting by a special assessment. Mr. Peterson stated it is a possibility but rules would need to be put in place and districts would need to be created for the special assessment. The proposed budget requests that 50% of the lighting being assessed.

Mayor Pro Tem Spataro asked about the possibility of adding sidewalk on the Nelson road project. There is no funds at this time, but if they do come to light, we would add it.

Discussion of future road funding. Several Commissioners voiced support for asking the voters to consider a millage question. Mr. Peterson suggested having community meetings, but closer to the election.

Put the graduated multiplier budget in sewer rate increase on tomorrow's meeting.

Future Road Funding.

Put question on tomorrow's agenda.

Adjournment.

Motion by Commissioner Hood, seconded by Commissioner Johnson to adjourn at 6:53 p.m.

MOTION PASSES

**Ann Marie Cummings, MMC
City Clerk**